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NSC BRIEFING

6 March 1956

MAINLAND SOUTHEAST ASIA

- I. Communists are making considerable headway in their Southeast Asian campaign to demonstrate "advantages" of neutralism.
- II. Bloc aid toward solving Burma's surplus rice problem has convinced Burmese leaders of economic wisdom of their long-held neutralist policies.
 - A. Bloc technological aid (to be provided in payment for rice) provides excellent means of infiltration.
 - B. Burmese government not unaware of this, and still wants Western assistance.
 - C. But good will created by Bulganin-Krushchev visit and rice deals is strong.
- III. Since his visit to Peking, Cambodia's Prince Sihanouk has become an aggressive neutralist.
 - A. He professes to see Thailand, the Philippines and South Vietnam as little more than American stooges.
 - B. He is convinced that a damaging embargo put on Cambodian trade by President Diem was prompted by American irritation over his neutralism.
 - C. On his return from China, Sihanouk did observe, however, that while Communism might be good for China, the "incredibly hard" work it demanded of the people was "not for Cambodians."
- IV. In Laos, Premier Katay--seeking a vote of confidence--cited his prospective cabinet's approval of "five principles of peaceful coexistence."

- A. This reference prompted unprecedented friendly editorials in Chinese Communist press, obviously intended to stimulate Laotian neutralism.
 - B. Katay may well accept an invitation to visit Hanoi or Peiping which the Indians are believed trying to arrange.
 - C. Laotian leaders are under strong pressure to find solution to Pathet Lao problem after a year's fruitless negotiations.
- V. In South Vietnam, with no chance of neutralizing President Diem's regime and no prospect of all-Vietnam elections next July, Communists are seeking a new approach to unification.
- A. Chou En-lai's call for a new conference on Indochina being echoed by Moscow.
 - B. Communists probably have in mind offering a definite postponement of nationwide elections in return for South Vietnam's neutralization.
- VI. Thai leaders, after apparent reappraisal of their anti-Communist policies, seem to have decided on no change for the present.
- A. Government's equivocation in permitting opposition MP and party to visit Peiping promptly ended with his arrest upon return.
 - B. But relaxation of press controls last summer, lately reimposed, revealed considerable neutralist sentiment among literate Thais.
 - C. These elements point to fact that neutral Burma and India-- in contrast to Thailand--got offers from both sides.
- VII. Finally, the Malaysians are engrossed with emerging independence (now promised by August 1957, "if possible").

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- A. While some leaders have expressed favorable view of neutralism, question of future foreign policy overshadowed by current domestic concerns.
- B. Future of Singapore is one of toughest nuts to crack.
 - 1. Communist subversion is rife there and local government is shaky; there are no strong non-Communist parties or leaders.

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